

Federal Financial Institutions Examination Council



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FIL-82-2000
November 29, 2000

REPORTING REQUIREMENTS

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: Annual Report on Indebtedness of Executive Officers and
Principal Shareholders to Correspondent Banks (FFIEC 004)

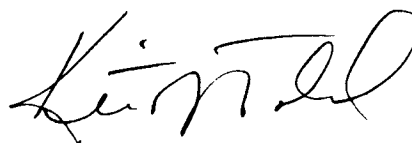
Enclosed is a copy of the Federal Financial Institutions Examination Council (FFIEC) 004 report that may be used to comply with the reporting requirements of Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The Act requires the executive officers and principal shareholders of each bank to submit an annual report to their board of directors on their indebtedness, and that of their related interests, to correspondent banks. Section 306(j) of the Federal Deposit Insurance Corporation Improvement Act of 1991 imposes these same requirements on savings associations. Reports for calendar year 2000 should be submitted to your board of directors by January 31, 2001.

The FFIEC 004 report is designed to assist an institution's executive officers and principal shareholders in complying with the federal banking agencies' regulations implementing the Act. Those regulations are 12 CFR Part 215 for state member banks, 12 CFR Part 349 for FDIC-supervised banks, 12 CFR Part 31 for national banks, and 12 CFR 563.43 for savings associations.

The use of the FFIEC 004 report is optional and executive officers and principal shareholders may use any reporting format that provides the required information. Institutions should not forward copies of annual reports to their primary federal banking regulator. However, institutions are required to maintain a copy of all reports on file for a period of three years and must make these reports available for examiner review.

Please inform your executive officers and principal shareholders as soon as possible that they and their related interests are subject to this reporting requirement. You should also provide them with a list of the names and addresses of correspondent banks. Copies of the FFIEC 004 report form and instructions also are available on the FFIEC's Web site, http://www.ffiec.gov/ffiec_report_forms.htm.

For further information or assistance concerning the FFIEC 004 report, state member banks should contact their Federal Reserve District Bank, FDIC-supervised banks should contact their FDIC Division of Supervision Regional Office, national banks should contact their OCC District Office, and savings associations should contact their OTS Regional Office.

A handwritten signature in black ink, appearing to read "Keith J. Todd". The signature is fluid and cursive, with the first name "Keith" being more prominent and the last name "Todd" following in a similar style.

Keith J. Todd
Executive Secretary

Enclosure

Distribution: All Insured Institutions

Report on Indebtedness of Executive Officers and
Principal Shareholders and their Related Interests
to Correspondent Banks (Form FFIEC 004)

A. For the Calendar Year Ending December 31, _____
To be submitted to your bank's board of directors by January 31.

B. _____
Name of Executive Officer _____ or Principal Shareholder _____ Submitting Report (Please check one)

C. _____
If the Report is Submitted for Indebtedness of a Related Interest, Name and Address of
Related Interest for Which the Report is Submitted

D. _____
Name of Bank to which Report is Submitted

City _____ State _____

Form FFIEC 004



OMB No. 7100-0034 (FRB) Expires 2/28/2002
1557-0070 (OCC) Expires 2/28/2002
3064-0023 (FDIC) Expires 2/28/2002
1550-0075 (OTS) Expires 6/30/2001

To be submitted by executive officers and principal shareholders of insured banks
in satisfaction of the reporting requirements of the Federal Reserve Board's
Regulation O (12 CFR Part 215) and as incorporated by the Office of Thrift
Supervision (12 CFR Part 563.43), and Part 349 of the Federal Deposit Insurance
Corporation's Rules and Regulations (12 CFR Part 349) with respect to
indebtedness to correspondent banks and savings associations.

Report the Maximum Amount of Indebtedness Outstanding at Any Time During the Reporting Year, Even if Fully Repaid. Please Read Carefully the Instructions on the Reverse Side of this Report.

E. Name and Address of Correspondent Bank	F. Original Amount	G. Range of Interest Rates (%)	H. Repayment Terms	I. Maturity Date	J. Description of Collateral (If unsecured indicate "none")	K. Balance (10 days prior to this report) (in thousands of dollars)	L. Maximum Amount of Indebtedness Outstanding in Previous Calendar Year (Indicate method used.) (in thousands of dollars)	M. Other Terms (if unusual)

N. I hereby certify that the information given above is complete,
correct, and true to the best of my knowledge.

Signature of official responsible for report

Date Signed

Disclosure of Estimated Burden

The burden associated with this information collection is estimated to vary from 1 to 2 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503, and to one of the following:

Secretary Board of Governors of the Federal Reserve System Washington, D.C. 20551	Legislative and Regulatory Analysis Division Office of the Comptroller of the Currency Washington, D.C. 20219	Assistant Executive Secretary Federal Deposit Insurance Corporation Washington, D.C. 20429	Supervision Policy Office of Thrift Supervision Washington, D.C. 20552
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Instructions

Why Report

The Financial Institutions Regulatory and Interest Rate Control Act of 1978, as amended by the Garn-St. Germain Depository Institutions Act of 1982, prohibits preferential lending by a bank to certain insiders of another bank when there is a correspondent account relationship between the banks. Regulation O, 12 CFR Part 215, which implements these statutes, specifies the reporting requirements necessary to ensure compliance.

Terms used in this report are defined in Regulation O and 12 CFR Part 349. The Office of Thrift Supervision has incorporated Regulation O by reference at 12 CFR 563.43 and applies Regulation O, with the exception of 12 CFR 215.13, to savings associations in the same manner and to the same extent as if the association were a bank or member bank. As used in this report, the term bank should be read to include savings associations.

Noncompliance with the reporting requirements of Regulation O could result in civil money penalties for the bank and the reporting executive officer or principal shareholder.

Who Must Report

Executive officers and principal shareholders must report extensions of credit outstanding during the calendar year from correspondent banks of their insured bank. Executive officers and principal shareholders must also report extensions of credit from correspondent banks to their related interests.

How to Report

The reports may be filed on Form 004, Report on Indebtedness to Correspondent Banks, or any form containing identical information. The information must be submitted to the board of directors with a copy maintained at the bank.

When to Report

Reports must be submitted annually by January 31 for the calendar year ending December 31 of the previous year.

What to Report

Executive officers and principal shareholders must report all indebtedness to correspondent banks, including indebtedness of their related interests. Loans that were outstanding at any time during the reporting calendar year must be reported, even if they have been paid off.

Completing the Form

A. **Report Date.** Enter the calendar year for which you are reporting.

B. **Name of Executive Officer or Principal Shareholder.** Enter your name. (A person who is not an executive officer or principal shareholder at the time the report is required to be filed is not required to file.)

An *“executive officer”* is defined in section 215.2(e) of Regulation O and generally means an individual who participates or has authority to participate (other than in the capacity of a director) in major policymaking functions of the company or bank, whether or not the officer has an official title, the title designates the officer as an assistant, or the officer is serving without salary or compensation. Certain categories of bank officers (e.g., vice president) are presumed in Regulation O to be executive officers unless the officer is excluded by resolution of the board of directors of the bank or by the bylaws of the bank or company from participation in major policymaking functions of the bank or company, and the officer does not actually participate therein.

A *“principal shareholder of a member bank”* as defined in section 215.11(a)(1) means any person (other than an insured bank, or a foreign bank as defined in 12 USC 3101(7)) that, directly or indirectly, owns, controls, or has power to vote more than 10 percent of any class of voting securities of the member bank. The term includes a person that controls a principal shareholder (e.g., a person that controls a bank holding company). Shares of a bank (including a foreign bank), bank holding company, or other company owned or controlled by a member of an individual’s immediate family are presumed to be owned or controlled by the individual for the purposes of determining principal shareholder status.

“Immediate family” as defined in section 215.2(g) means the spouse of an individual, the individual’s minor children, and any of the individual’s children (including adult children) residing in the individual’s home. For reporting purposes, only one individual in the immediate family must file a report if that individual’s report includes the required information on indebtedness of his/her immediate family.

C. **Related Interests.** If you are reporting indebtedness of a related interest, enter the name and address of the related interest. You must complete a separate report for each related interest.

A *“related interest”* as defined in section 215.11(a)(2) means (1) any company controlled by a natural person, or (2) any political or campaign committee controlled by a natural person or the funds or services of which will benefit a natural person.

“Control” of a company is defined generally in section 215.2(c) of Regulation O as ownership or control of 25 percent or more of a company’s outstanding voting shares. Control is presumed, however, in certain cases where less than 25 percent ownership exists.

The term *“indebtedness”* includes any extension of credit (as defined in section 215.3 of Regulation O), but does not include: (1) commercial paper, bonds and debentures issued in the ordinary course of business; and (2) consumer credit in an aggregate amount of \$5,000 or less from each correspondent

correspondent bank, provided the credit is incurred under terms that are not more favorable than those offered the general public.

D. **Reporting Bank.** Enter the name of the bank in which you are an executive officer or principal shareholder.

E. **Correspondent Bank.** Enter the correspondent bank’s name and address. You may report indebtedness from more than one correspondent bank on the same form. You also may include the loan number or any other relevant identifying information in this column.

A *“correspondent bank”* generally means a bank that maintains one or more correspondent accounts for the officer’s or principal shareholder’s bank that in the aggregate exceed an average daily balance during the reporting calendar year of \$100,000 or 0.5 percent of the officer’s or principal shareholder’s bank’s total deposits (as reported in the bank’s first Consolidated Report of Condition or Thrift Financial Report during the calendar year), whichever is smaller. *All insured banks are required by law to make available to their executive officers and principal shareholders a list of their correspondent banks.*

F. **Original Amount.** Enter the original amount of the loan. If the indebtedness is a line of credit, report the maximum authorized amount.

G. **Range of Interest Rates.** Enter the range of interest rates charged throughout the reporting year.

H. **Repayment Terms.** Describe the repayment terms.

I. **Maturity Date.** Enter the maturity date.

J. **Description of Collateral.** If the loan is secured, describe the collateral and its value.

K. **Balance.** Enter the amount of indebtedness outstanding to the correspondent bank as of ten business days before the date of the report. If this balance is not available, or cannot be readily ascertained by the filing date, estimate the amount and provide the actual amount to the board of directors within thirty days.

L. **Maximum Amount of Indebtedness.** The maximum amount of indebtedness is either (1) the highest outstanding indebtedness during the calendar year for which the report is made, or (2) the highest end of the month indebtedness outstanding during the calendar year for which the report is made. You must consistently use the same method for all indebtedness to the same correspondent bank. You also must indicate whether the maximum amount was determined as of the end of the month or on a daily basis.

M. **Other Terms.** Describe any unusual terms or other conditions of the loan.

N. **Signature.** Sign and date the report.